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## SPECIAL ANALYSIS

POLAND: Continuing the Hard Line

*The martial law regime continues to show no interest in making major concessions to the Church or Solidarity but may be looking for other gestures to give an impression of a return to normal.*

The authorities remain committed to maintaining their physical control of the situation at all costs. The demonstrations last week, although smaller than those in May, probably underscored the need for tight controls. The regime realizes that its repressive measures have intimidated some workers and that some Solidarity leaders are talking of deferring action until the fall, but it also knows others are more defiant than ever.

One moderate adviser to Premier Jaruzelski recently told [redacted] that the regime will continue its repressive policy and let time and economic deprivation wear down the inclination to resist. Disgruntlement in the lower ranks of the military does not seem to threaten the government's ability to maintain control in the face of the current level of unrest.

Jaruzelski, meanwhile, has consolidated his position by removing controversial political figures from both moderate and hardline camps. His main opponent, Stefan Olszowski, seems intent on quietly building support in the hope of eventually becoming party leader.

In the past few months, the role of the military in running the country has grown, and party functionaries are increasingly frustrated at their exclusion. The bickering between the two groups will prolong the confusion and inaction in the policymaking bureaucracy.

### Other Political Problems

The regime is not likely to give serious consideration to releasing Lech Walesa or to resuming a formal dialogue with him or Solidarity. To do either, Jaruzelski would first have to do battle with his conservative colleagues in the leadership.

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Release seems more of a risk than the regime is prepared to take, even if Walesa agreed to strict conditions. Rumors of his imminent release may be the work of moderates trying to force the government onto a trade more to their liking or seeking to undermine new plans by hardliners, including the official abolition of Solidarity.

Many leaders in the Church and underground Solidarity activists are looking to a visit by the Pope in August to break the political stalemate. They believe that massive public gatherings during the visit could demonstrate the extent of antipathy toward the regime and force the authorities to be more conciliatory. Some Solidarity leaders, who are discouraged by the arrests of activists after the demonstrations last month, hope the visit will spur resistance activities.

The regime, however, is not likely to change course as the result of a papal visit. Many in the government believe that such a visit would encourage opposition activity, and the chances probably are only even that the complicated negotiations over the trip will succeed. Any additional disturbances, whether the result of genuine opposition or provocations, could be the pretext for postponing the visit.

#### The Economy

The leadership has at least temporarily halted the decline in industrial production--at levels of the mid-1970s. Shortages of Western imports and the regime's inability to motivate an unhappy populace still block any substantial progress toward recovery and could prompt some conciliatory gestures toward the public and the West.

CEMA countries, beset by their own economic problems, have extended only about half as much assistance to Poland in the first quarter of this year as in 1981. Some Polish economic experts maintain publicly that the East could replace less than 10 percent of industrial materials imported from the West.

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Jaruzelski's consumer policies have had mixed results. Higher prices have made food more readily available, but workers are disgruntled over a decline in living standards of about 23 percent. Moreover, lower income workers and pensioners are hard pressed to afford meat and some basic foodstuffs, while higher income workers are annoyed over shortages of manufactured consumer goods.

#### Outlook

Economic problems may force Jaruzelski to relax martial law restrictions somewhat and release additional internees, perhaps before national day on 22 July. The Premier also may conclude that a papal visit would improve his image in the West.

Jaruzelski probably is not prepared to abolish martial law soon. The authorities believe tight controls are needed to carry the country through tough economic times ahead.

The USSR has made it clear that it considers the maintenance of order essential both for rebuilding the party and for improving Poland's economic performance. The Soviets probably do not regard Poland as stable enough at this point to justify lifting martial law or allowing Walesa any significant role.

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